

Kentucky Agricultural Development Board

Meeting Minutes

June 15, 2001

The Kentucky Agricultural Development Board met on Friday, June 15, 2001, at 10a.m., in the Brown-Forman Room of the Kentucky History Center in Frankfort. Governor Patton, Chairman, called the meeting to order, and the secretary called the roll.

Members Present:

Governor Paul E. Patton, Chairman; Commissioner Billy Ray Smith, Vice Chairman; John-Mark Hack, Executive Director; Vickie Yates Brown. Daniel Case; Larry Clay; Susan Harkins; Wayne Hunt; Sam Lawson; Dean Scott Smith; Sam Moore; Willa Poynter; Eddie Sellers; Mike Slaughter; and Smith Mitchell representing Secretary Gene Strong.

Members Absent:

Seth Conner

Agricultural Development Board Staff Present:

David Bratcher, Penny Cline, Gordon Duke, Sandra Gardner, Ben Gramig, DeVon Hankins, Jeff Harper, Hampton Henton, Rhodes Johnston, Bill McCloskey, Jeff Mosley, Joel Neaveill, Lisa Thomas, Kim Tompkins, and Tim Woods.

Others Present:

Patrick Rupin, Commodity Growers Cooperative Association; Robert M. Polsgrove, Kentucky Trust for Historic Preservation; Roger Nesbitt, Kentucky Farm Bureau; Biff Baker and Brad Wellons, Legislative Research Commission; Ira Linville, Mark Farrow, and Doug Thomas, Kentucky Department of Agriculture; Edwin W. Chavous, Louie Rivers, Susan Templeton, and C. Wang, Kentucky State University; Keenan Bishop, Franklin Cooperative Extension Service; John Stevenson, Kentucky Cattlemen's Association; Jeffrey K. Davis, Green River Worm Producer; Sharon Burton, The Farmer's Pride; Ed Nelson, Henry County Agricultural Development Council; Sheri Arms and Victoria Burke, Community Farm Alliance; and Jim Akers, University of Kentucky College of Agriculture.

Notification of Media:

Governor Patton received confirmation from John-Mark Hack that a media release regarding the Agricultural Development Board (ADB) meeting was sent.

Minutes of the May 18, 2001 Meeting:

The minutes were approved as presented.

Executive Director's Report:

Executive Director John-Mark Hack reviewed the day's agenda.

Mr. Hack introduced Vickie Yates Brown, as the newest member of the Agricultural Development Board. Ms. Brown a Louisville attorney with knowledge of agricultural law, will fill the vacant position on the Agricultural Development Board.

Next, Mr. Hack discussed ongoing efforts to improve communications with the County Agricultural Development Councils (CADC).

He called the member's attention to the newsletter entitled "The Commonwealth Grows." This newsletter will be compiled by ADB staff and mailed to all CADC members, members of the Kentucky General Assembly, Agricultural Development Fund grant recipients and others. The newsletter will cover a variety of topics and interests and advised that suggestions or ideas regarding the newsletter's content would be welcomed.

ADB staff will continue to meet with CADC members to answer questions and address concerns.

Director Hack advised that the first two meetings in a series of Regional Long-Term Planning meetings were held on June 5th and 7th. Eight county councils were represented at the meetings. He stated that meeting participants were interested, involved and identified numerous areas for long-term development in those regions. The information gleaned from these regional meetings will be used in the development of a statewide Long-Term Plan for agricultural and rural development.

Following is a list of additional regional meetings scheduled across the state:

Lake Cumberland Area: June 11, 2001
6:30 - 9:30PM EDT
South Kentucky Rural Electric Co-op
Somerset

Green River Area: June 12, 2001
6:30 - 9:30PM CDT
Daviess County Extension Office
Owensboro Community College Campus
Owensboro

Bluegrass Area: June 13, 2001
6:30 - 9:30PM EDT
Bluegrass Area Development District, Perimeter Drive
Lexington

Barren River Area: June 18, 2001
7:00 - 10:00PM CDT
Regional Conference Center
Bowling Green

Cumberland Valley Area: June 19, 2001
6:30PM - 9:30PM EDT
Cumberland Valley ADD Office
London

Buffalo Trace AND Gateway Areas: June 21, 2001
6:30PM - 9:30PM
Fleming Mason Energy
Rt. 32 Flemingsburg, KY 41041

Purchase Area: June 28, 2001
7:00PM – 10:00PM CDT
Murray State University, Curris Center, Barkley Room
Murray

Pennyrile Area: July 2, 2001
6:30PM – 9:30PM CDT
Agriculture Experiment Station
Princeton

Mr. Hack reminded the board that a working session to begin the development of the statewide Long-Term Plan for Rural and Agricultural Development would be convened in Louisville on July 10 & 11.

Ethics Policy:

Jeff Mosley discussed the Draft Ethics Policy document that was submitted for review to members at the May 18th meeting. Willa Poynter moved with a second from Sam Lawson that the document be adopted. The motion passed unanimously.

Kentucky Center for Agricultural Development & Entrepreneurship Report:

Hampton Henton, Executive Director, updated the Board on the activities of the Kentucky Center for Agricultural Development and Entrepreneurship (KCADE.) He advised that KCADE had received 18 project referrals from the ADB, KCADE staff made 14 visits to applicants, and the ADB has taken action on 7 of the KCADE projects.

Mr. Henton briefed the board on a series of educational forums that KCADE staff is currently developing in cooperation with Kentucky State University (KSU.) These forums dubbed "Tailgate Talks" are a series of interactive forums where specific issues of statewide interest to Kentucky's agricultural community are discussed. The goal of these talks is to explore these issues for their feasibility and potential impact. Experts from a variety of areas within the specified issue will gather as a panel to share their expertise. Forum participants will have an opportunity to ask pertinent questions regarding what the experts have shared and give feedback as to what the participants have already experienced. These discussions should include both positive and negative aspects of the issue being addressed. The sessions will be held and taped at KSU facilities. Due to size restriction of the taping studio, sessions held there can be attended by invitation only. However, a tape of the session will be available to everyone upon request. Mr. Henton advised the members that they are always welcome to attend and that KCADE would welcome suggestions for future forums. Following is a list of "Tailgate Talks" that have been scheduled and are currently being developed:

July 16: Soybean Value Added Processing

July 30: Regional Marketing Facilities

TBA: Wine Grapes & Wineries

TBA: Meat Processing

Susan Harkins asked that ADB members be given a calendar of "Tailgate Talks."

Director Henton discussed a new product made from hay. This product can be used in conjunction with coal to produce energy. The product is called Bio Mass. He will attend a preliminary meeting within a week and hopes to learn more about the potential impact that development of this product will have for Kentucky farmers.

Commissioner Smith asked if the KCADE had received inquiries into heating alternatives for chicken houses. He stated that because of rising fuel prices the cost of keeping the houses heated was becoming cost prohibitive for producers. Mr. Henton advised that no inquiries had been received but KCADE would investigate this issue.

Referral of Project Proposals:

Sam Lawson moved with a second from Commissioner Smith that projects numbered 335 - 405 be referred to the Project Review Committee. The motion passed without objection.

Project Review Committee Report:

Sam Lawson presented the Committee report. The Project Review Committee met on June 8 and made the following recommendations:

Approved Genetics Improvement Programs:

Mr. Lawson stated that the Project Review Committee recommended board approval for the following Genetics Improvement Programs. These programs are all funded from county funds:

#	County	Name	County Funds
100	Breckinridge	Breckinridge County Cattlemen's Association	\$2,500.00
194	Scott County	Scott County Beef Improvement Association	\$63,000.00
225	Christian	Christian County Cattleman's Association	\$40,000.00
232	Hancock	Green River Beef & Forage Initiative	\$25,000.00
256	Metcalfe	Metcalfe County Livestock Organizations	\$107,600.00
288	Daviess	Green River Beef & Forage Initiative	\$94,800.00
290	Casey	Casey County Cattlemen's Association	\$143,000.00
310	Woodford	Woodford County Beef Cattle Association, Inc.	\$94,250.00
313	Boone	Northern Kentucky Cattle Association	\$110,000.00
314	Bracken	Bracken County Livestock Improvement Assoc	\$63,000.00
324	Marion	Marion County Cattlemen's Association	\$102,000.00
328	McClean	Green River Beef & Forage Initiative	\$17,295.00
330	LaRue	LaRue County Beef Cattle Association	\$40,000.00
341	Harrison	Harrison County Beef Cattle Association	\$125,000.00
360	Edmonson	Edmonson County Cattlemen's Association	\$55,000.00
369	Green	Green County Cattlemen's Association	\$76,000.00
378	Butler	Butler County Stockman's Association	\$40,000.00
397	Bourbon	Bourbon County Fiscal Court	\$200,000.00

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

Governor Patton asked Larry Clay what impact the Cattle Genetics Improvement Program had on our cattle producers. Mr. Clay advised that 3,000 Kentucky cattle producers had already utilized the program and that is just the beginning.

In response to a question from Governor Patton, Larry Clay advised that he hopes that this program will be discontinued after two years. He stated that producers should recognize the improvement in their herd and the increase in market prices and continue this program at their own expense.

Governor Patton asked Dean Smith if UK had the capability to do an Economic Analysis & Impact study on the effectiveness of the Cattle Genetics Improvement Program. Dean Smith will have the study initiated.

Approved Forage Improvement and Utilization Programs:

Mr. Lawson stated that the Project Review Committee recommended Board approval for the following Forage Improvement and Utilization Programs. These programs are all funded from county funds:

#	County	ProjectName	County Funds
181	Garrard	Garrard County Conservation District #3	\$12,500.00
208	Daviess	Green River Beef & Forage Initiative	\$42,160.00
287	McLean	Green River Beef & Forage Initiative	\$17,295.00
316	Barren	Barren County Conservation District	\$500,000.00
375	Metcalfe	Metcalfe County Conservation District	\$134,000.00
381	Allen	Allen County Conservation District	\$103,700.00

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

Governor Patton asked Dean Smith if UK could do an Economic Analysis & Impact Study on our Forage Improvement and Utilization Program. Dean Smith suggested that the ADB should consider the possibility of funding a program designed to measure the effectiveness of all of our statewide programs currently existing and those yet to be developed. John-Mark Hack stated that the board had discussed the need for an Investment Evaluation System at its December meeting. He will work with Dean Smith to develop a proposal and bring it before the ADB.

Mike Slaughter said that some counties are reluctant to participate in these programs because they are having difficulty in finding facilitators for these programs for a 2% administration fee. Gordon Duke advised that 2% was not a set fee, that projects had been approved for a higher percentage. Facilitators should submit the proposal and the ADB would determine if the fee is reasonable.

Projects Recommended for Funding:

Mr. Lawson advised that the Project Review Committee recommended that the following projects be approved for funding.

Project #20 Wayne County Cabbage Growers (Wayne County Extension District Board) \$1,365.50. County funds.

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

Project #90 Warren County Conservation District (Warren County Conservation District) \$40,0.00. County Funds.

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

Project #136 Monroe County Board of Education-Appeal (Monroe County Board of Education) \$50,000.00. County Funds.

Mr. Lawson moved with a second from Larry Clay that the Board adopt the committee's recommendation. The motion passed without objection.

Project #150 Kentucky Beef Network (KY Cattlemen's Assoc & KY Forage & Grasslands Council) \$1,811,370. State Funds.

Mr. Lawson moved with a second from Commissioner Smith that the Board adopt the committee's recommendation.

Sam Moore moved with a second from Wayne Hunt to amend the Conditions of the agreement by deleting Condition #2, which reads, "The KBN is a pilot project that will not receive funding beyond two initial years". The amendment passed by voice vote.

The motion passed as amended.

Project #205 Delta Land and Community, Inc. (Delta Land and Community, Inc.) \$100,000. State Funds.

Mr. Lawson moved with a second from with a second from Susan Harkins that the Board adopt the Committee's recommendation.

Discussion of the project ensued. Because of the questions raised regarding this project Governor Patton suggested that the Board defer decision on this project and appoint a committee to define the objectives of the project and how best to achieve them.

Sam Lawson moved with a second by Commissioner Smith to refer this project to a committee, which will be named by Governor Patton. The motion passed without objection.

Project #207 Owensboro Farmer's Mkt & Downtown Owensboro, Inc. (Owensboro Farmer's Mkt & Downtown Owensboro, Inc.) \$8000.00. Daviess County Funds.

Mr. Lawson moved with a second from Wayne Hunt that the Board adopt the committee's recommendation. The motion passed without objection.

Project #212 River Ridge Country Style Meats (Kirby and Kate Peake) \$16,500.00. Nelson County Funds.

Mr. Lawson moved with a second from Mike Slaughter that the Board adopt the committee's recommendation. The motion passed without objection.

Project #222 BEPA Inc. dba Great Farms (Ben Payne) \$35,000. Christian County Funds.

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

Project #223 Kritter Kernels G&S Farms (Robert Gray and Lee Jay Smith) \$12,500. Christian County Funds.

Mr. Lawson moved with a second from Willa Poynter that the Board adopt the committee's recommendation. The motion passed without objection.

Project #235 Adair County 4-H (Adair County 4-H) \$29,660. County Funds.

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

Project #250 West Kentucky Growers Cooperative (West Kentucky Growers Cooperative) \$16,386. Henderson County Funds.

Mr. Lawson moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Project Referrals to Kentucky Center for Agricultural Development and Entrepreneurship (KCADE):

Mr. Lawson stated that the Project Review Committee recommended that the following projects be referred to KCADE for further development and/or research:

#	County	Project Name
203	Lewis/Fleming	Lowe and Meadows
210	Bracken/Fleming Lewis/Mason Robertson	Buffalo Trace Reg Farm Mktg & Entrepreneurial Ctr.
211	Harrison	Longview Nursery
317	LaRue	Creekside Vermiculture, LLC
327	Marion	Mid-South Pork, Inc.
219	Nelson	Turning Point Vineyard
229	Hancock	Kentucky Maple Products
284	Owsley	Eddie McIntosh & Paul Neeley
309	Woodford	Susan and Charles Daugherty

Mr. Lawson moved with a second from Dean Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Applications Recommended for No Funding:

Mr. Lawson stated that the Project Review Committee recommended no funding for the following projects:

App #	Project Name	Application County
9	BEPA Inc. dba Great Farms	Christian
24	CDP Enterprises, Inc.	Graves
34	David Gabbard	Anderson
99	Hancock County Fiscal Court-Appeal	Hancock
112	Allorganic	Barren
147	City of Cave City	Barren
180	Garrard County Conservation Dist#1	Garrard
191	Logan Cty Ag Expo & Education Ctr	Logan
209	Metcalfe County High School	Metcalfe
213	Charles T. Howard	Nelson
214	Lutz, Jury & Cheek Dairy Farmers	Nelson
216	Steve E. Thompson	Nelson
217	Charles Bean	Nelson
218	J.Marvin Greenwell	Nelson
220	Locust Hill Boer Goat Farm	Nelson
221	Randy Hale	Christian
224	Christian & Hopkins Cty HS Ag Depts	Christian
226	Kentucky Hay Exchange	Christian
230	Hancock County Fair	Hancock
231	Gary A. Long	Hancock
234	Cherry Farms	Allen
238	Frankie L. Burton and Sons	Adair
239	James E. Bennett	Adair

240	Barry Smith	Adair
241	Eli & Micah Harvey	Adair
242	Dennis McQueary & Billy Matthews	Adair
243	Jane's Fertilizer	Adair
244	Muhlenberg County 4-H Drill Team	Muhlenberg
245	City of Central City Fire Dept	Muhlenberg
246	James R. Peters	Grant
247	Robert A. Williams	Lawrence
248	Charles W. Brownfield	Warren
249	G.F. Vaughan Tobacco Co., Inc.	State
252	Wrightway Farms	Anderson
253	Raymond Campbell	Hardin
258	Dalton Bragg	Metcalf
259	Jim & Christina Goff	Metcalf
261	Western Kentucky University	Metcalf
266	Clinton Cumberland Cattlemen's Assoc	Cumberland
268	Kentucky Hay Exchange	Todd
269	James H. Petrey	Shelby
270	Quire Farms	Shelby
271	Lowry Brown	Shelby
272	Shelby County Farm Bureau	Shelby
273	Garrard County Extension Dist Board	Garrard
276	River Ridge Country Style Meats	State
278	Cow Creek Hay Project	Owsley
279	Double J Equine Center	Owsley
280	Randall Thomas	Owsley
281	Kenneth Thomas	Owsley
282	Idle Farm Land Revitalization	Owsley
283	Darrell Becknell & John Eversole	Owsley
285	Larry Chandler	Owsley
286	Philip Becknell	Owsley
297	Brian Adams	Simpson
298	David R. Bentley	Spencer
299	Gerard F. Hinton	Spencer
300	Williams Farms	Spencer
301	Williams Farms	Spencer
302	John B. & Cynthia E. Cruise	Spencer
303	Larry Wilder	Spencer
304	J.B., Sue & Paige Walls	Spencer
306	Lowry Brown	Spencer
307	Williams Farms	Spencer
315	Mason County DHIA	Mason
318	Rex A. Wiseman	LaRue
319	Western Kentucky University	LaRue
321	Ray Meadows	Lewis
334	Quire Farms	Shelby

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

County Plan Review Committee Report:

Willa Poynter presented the County Plan Review Committee Report. She advised that the Committee met on June 7 and again on June 11. The Committee discussed 35 revised or newly submitted County Comprehensive Plans.

Twelve of the recommendations for approval are contingent upon county adoption of the 50% match required by the Agricultural Development Fund guidelines.

Ms. Poynter advised that the County Plan Review Committee recommended approval of the following County Comprehensive Plans:

Adair*	Letcher*
Anderson	Livingston*
Barren	Madison
Boone	Magoffin
Bourbon**	Marion*
Bracken*	Marshall
Butler	Mason
Carroll	McCreary
Gallatin	McLean
Graves*	Mercer
Green	Nicholas
Hancock*	Owen
Hardin*	Pendleton
Hickman*	Pike
Jackson*	Webster
Knott	Wolfe*

*Approval is contingent upon adoption of the 50% match requirement established in the state Board's Agricultural Development Fund administrative guidelines.

**Approval is contingent upon the addition of clarifying language regarding applications from individuals.

County Plans have been received from a total of 113 counties as of 6/16/01. There have been 31 plans approved to date, not including the 32 presented for approval today. An additional 13 counties have submitted plans since 6/11/01, which will be included in the next review.

Ms. Poynter moved with a second from Dean Smith that the Board adopt the committee's recommendation. The motion passed without objection.

Modification to Forage Improvement Guidelines:

David Bratcher briefed the Board on a request from the Todd CADC. The CADC requests that the Forage Improvement guidelines be modified to allow for reimbursement of the rental fees of no till drills owned by others or even for custom seeding.

Mr. Bratcher advises that upon review, it is recommended that the ADB modify the guidelines to include this as a reimbursable expense with the stipulation that reimbursement be limited to 50% of cost, not to exceed a reimbursable amount of \$6 per acre and that this eligible item be included within the \$5,000 maximum attainable for any one farm operation.

Smith Mitchell moved with a second from Dean Smith that the Board adopt the recommendation. The motion passed without objection.

Cattle Handling Facilities Program Guidelines:

David Bratcher reviewed the document with the ADB. He advised that a team of individuals from UK, Kentucky Department of Agriculture, Kentucky Cattlemen's Association, and ADB staff developed the draft proposal and were present to answer any questions that may arise.

There was discussion of the draft document and the following changes were made:

Page 4; last paragraph; delete "county committees" and replace with "administrative entity."

Page 5; paragraph 4; reword to clarify that straight chutes are an acceptable cost share item.

Page 6; paragraph 6; first sentence; delete "and must swing both ways."

Page 7; Prerequisites for handling facilities; change to read "Minimum herd size: 10 mature cows"

Danny Case moved with a second from Larry Clay that the document be adopted as amended. The motion passed by voice vote.

County Animal Disposal Cost-Share Program:

Commissioner Billy Ray Smith called the members' attention to a document entitled "County Animal Disposal Cost-Share Program. He advised, that there are currently 63 counties that contract for fallen animal disposal services; however, the contractors have raised their rates and counties do not have funds to meet

the new contract demands. Commissioner Smith stated that the goal of this program is to provide interim funding to the counties for animal disposal services.

There was lengthy discussion about this proposal. Following are some of the concerns discussed:

The members expressed concern that the ADB should not set a precedent for using the Agricultural Development Fund for funding any budget shortfalls whether they are state or county.

Several members argued that this program falls outside the ADB Investment Philosophy, and Guiding Principals.

If the counties have issues the counties should come to the ADB and ask for the program development, the ADB should not go to them and suggest programs.

Only 63 counties currently contract for animal disposal, this program proposal would allow all 120 counties to participate.

John-Mark Hack addressed the workload on ADB staff and asked Commissioner Smith if the Department of Agriculture would partner with ADB staff and review the applications associated with this program. Commissioner Smith advised that KDA would agree.

Dean Smith asked that it be clearly stated that this is a 1-year emergency proposal. He asked that the document be amended as follows:

Page 1; Paragraph 2; after the last sentence add "This program will expire on June 30, 2002."

Dean Smith moved with a second from Mike Slaughter that the proposal be adopted as amended. The motion passed with 10 yea votes and 2 nay votes received from Wayne Hunt and Eddie Sellers.

With no further business the meeting adjourned at 4:20PM.